



GUIDE FOR PREPARATION OF CONTRACT COST PROPOSALS

**U.S. DEPARTMENT OF ENERGY
NATIONAL ENERGY TECHNOLOGY LABORATORY**

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This guide is available on the Department of Energy, National Energy Technology Laboratory web site at:

<http://www.netl.doe.gov/business/index.html>

TABLE OF CONTENTS

GENERAL INSTRUCTIONS	<u>1</u>
Table of Contents	<u>1</u>
Page Identification	<u>1</u>
Rounding Off	<u>1</u>
Format and Content of the Cost Proposal	<u>1</u>
Cost Proposal Preparation Assistance	<u>1</u>
 PART I - PREPARATION OF EXHIBITS	<u>2</u>
EXHIBIT A CONTRACT PRICING PROPOSAL COVER SHEET	<u>4</u>
EXHIBIT B-1 SUMMARY OF COST ELEMENTS BY TASK AND FOR TOTAL PROJECT	<u>5</u>
EXHIBIT B-2 SUMMARY OF COST ELEMENTS BY TASK FOR OFFEROR'S FISCAL YEAR	<u>6</u>
EXHIBIT C SUMMARY OF DIRECT MATERIALS AND/OR EQUIPMENT BY TASK AND OFFEROR'S FISCAL YEAR	<u>7</u>
EXHIBIT D-1 SUMMARY OF DIRECT LABOR BY TASK AND OFFEROR'S FISCAL YEAR	<u>8</u>
EXHIBIT D-2 SUMMARY OF DIRECT LABOR HOURS BY TASK	<u>9</u>
EXHIBIT E SUMMARY OF TRAVEL BY TASK AND OFFEROR'S FISCAL YEAR	<u>10</u>
EXHIBIT F SUMMARY OF OTHER DIRECT COSTS BY TASK AND OFFEROR'S FISCAL YEAR	<u>11</u>
EXHIBIT G-1 SUMMARY OF INDIRECT EXPENSES	<u>12</u>
EXHIBIT G-2 SUMMARY OF PROPOSED INDIRECT RATES	<u>16</u>
EXHIBIT H SUMMARY OF ESCALATION FACTORS/PERCENTAGES BY COST ELEMENT	<u>17</u>
EXHIBIT I PRE-AWARD ACCOUNTING SYSTEM SURVEY	<u>18</u>
 PART II - ADDITIONAL INFORMATION	<u>19</u>
Estimating Procedure	<u>19</u>
Subcontracts	<u>19</u>
Consultants	<u>20</u>
Cost Sharing, In-kind Contributions, Etc.	<u>20</u>
Financial Condition	<u>21</u>
Company Compensation Policies	<u>21</u>
High Value Equipment	<u>21</u>
Use of ADPE	<u>21</u>
 PART III - SUMMARY OF EXCEPTIONS AND DEVIATIONS	<u>22</u>

GENERAL INSTRUCTIONS

Table of Contents

All forms, tables, or exhibits should be included and identified in the table of contents.

Page Identification

All pages of the Cost Proposal, including forms, shall be appropriately numbered, and identified with the name of the offeror, the date, and the solicitation number to the extent practicable. All forms, tables, or exhibits must be clearly identified.

Rounding Off

Final monetary extensions shall be expressed in whole dollars only.

Format and Content of the Cost Proposal

The cost proposal consists of the offeror's estimated cost to perform the desired work as set forth in the solicitation. Since the cost proposal will be evaluated to determine such matters as the reasonableness of the cost, the probable cost to the Government, and an understanding of the magnitude of effort, it should be accurate, complete, and well documented.

The cost proposal will consist of three distinct parts as described in the following text:

Part I - Exhibits A-J

Part II - Additional Information

Part III - Exceptions and Deviations.

Cost Proposal Preparation Assistance

Questions regarding preparation of any parts of the Cost Proposal should be directed to:

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Pittsburgh, PA 15236-0940**

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E-mail: ferlic@netl.doe.gov**

PART I

PREPARATION OF EXHIBITS

Exhibits A through I identified below shall be included in the cost proposal. Unless otherwise stated, the exact form need not be utilized; however, the information indicated both in this section and on the sample forms is required and must be submitted.

Cost information in the same format and level of detail is required for each subcontract or intercompany transfer estimated to exceed \$550,000. The trail from the subcontractor's project cost summaries to the offeror's Subcontracted Items line on Exhibit B-2 should be clear. Provide explanations for any differences between the amount proposed by the subcontractor to the offeror and the amounts proposed by the offeror to the Government for subcontract work.

Exhibit A: Contract Pricing Proposal Cover Sheet.

The Contract Pricing Proposal Cover Sheet is to be completed by the offeror and all proposed subcontractors. Completion of the remaining Exhibits (B through I) will provide supporting documentation for the proposed cost shown in Blocks 6A to 6C of the Contract Pricing Proposal Cover Sheet.

Exhibit B-1: Summary of Cost Elements by Task and for Total Project.

Exhibit B-2: Summary of Cost Elements by Task and Offeror's Fiscal Year.

This is a two-part exhibit, with one Exhibit B-1 providing a summary of the total costs for each task AND the resulting total project costs. To support the Exhibit B-1 amounts, an individual Exhibit B-2 is required for each of the offeror's fiscal years in which the project is to be performed, and will provide the costs by task within each fiscal year. All of the Exhibit B-2s will roll up into the project totals shown on the Exhibit B-1.

Exhibit C: Summary of Direct Materials and/or Equipment by Task and Offeror's Fiscal Year.

Provide a consolidated priced summary of individual material quantities. Indicate the basis for the proposed prices, i.e., written quotes, catalogue prices, prior invoices, shop estimates, etc. Where appropriate, identify the vendor and provide the date and information for multiple quotes.

Exhibit D-1: Summary of Direct Labor by Task and Offeror's Fiscal Year.

Exhibit D-2: Summary of Direct Labor Hours by Task

This is a two-part exhibit in which the Exhibit D-1 provides the number of direct labor hours, the direct labor hourly rates, and the labor cost for each labor category proposed. As this information is required for each task by fiscal year, multiple forms are needed so that the total labor for each task matches the labor on the Exhibit B-2 task summaries.

On Exhibit D-2, provide the direct labor hours by task for each labor category for the prime contractor and all subcontractors and consultants. As an attachment to Exhibit D-2, provide a separate page that defines all labor category titles listed on the Exhibit D-2. This definition should discuss the duties normally performed by personnel having that title, and differentiate between levels of the same title (i.e., Senior Engineer vs. Junior Engineer, Technician I vs. Technician II, etc.).

Exhibit E: Summary of Travel by Task and Offeror's Fiscal Year.

Each trip must be itemized to identify the destination, number of travelers and length of the trip. Provide the rates used to estimate costs for airfare, lodging, meals and incidental expenses, and ground transportation.

Exhibit F: Summary of Other Direct Costs by Task and Offeror's Fiscal Year.

The amount and basis for proposed direct costs not otherwise supported in the previous exhibits should be included here. For example, the number of hours and the hourly charge for computer time proposed might be included.

Exhibit G-1: Summary of Indirect Expenses.

Exhibit G-2: Summary of Proposed Indirect Rates.

This is a two-part exhibit, with one Exhibit G-2 providing a summary of the indirect rates developed on all Exhibit G-1s. An individual Exhibit G-1 is required for EACH indirect cost proposed, e.g., material overhead, labor overhead, G&A expense, etc. Each Exhibit G-1 will contain the major pool expense groupings by line item and dollar amount for the offeror's most recently completed fiscal year, the current fiscal year, and an estimate for the next fiscal year. Similarly, the allocation base must be identified and the dollar amount provided to permit verification of the resulting indirect rates. The inclusive dates of the offeror's fiscal year must also be identified.

If agreement has been reached with another governmental organization for the use of provisional rates, a copy of the approved rate agreement can be submitted in lieu of Exhibit G-1, but an Exhibit G-2 is still required.

Exhibit H: Summary of Escalation Factors/Percentages by Cost Element.

This exhibit shall provide, by cost element, the escalation factors (percentages) applied to current costs to estimate the proposed costs for future fiscal years.

Exhibit I: Pre-Award Accounting System Survey.

The Pre-Award Accounting System Survey provides information on the offeror's accounting system capabilities. This exhibit should be completed by an individual responsible for maintaining the offeror's accounting system. **The form provided must be used.**

CONTRACT PRICING PROPOSAL COVER SHEET

1. SOLICITATION / CONTRACT / MODIFICATION NO.		NETL APPROVED FORM		
2. NAME AND ADDRESS OF OFFEROR (Include ZIP Code)	3A. NAME AND TITLE OF OFFEROR'S POINT OF CONTACT		3B. TELEPHONE NO.	
	4. TYPE OF CONTRACT ACTION (Check)			
	A.	NEW CONTRACT	D.	
	B.	CHANGE ORDER	E.	
5. TYPE OF CONTRACT: COST SHARE		C.	✓	F.
7. PLACE(S) AND PERIOD(S) OF PERFORMANCE		6. PROPOSED COST (A + B = C)		
		A. COST TO DOE	B. COST SHARE	C. TOTAL COST
8. List and reference the identification, quantity, and total price proposed for each contract line item. A line item cost breakdown supporting this recap is required unless otherwise specified by the Contracting Officer. (Continue on reverse, and then on plain paper, if necessary, using same headings.)				
A. LINE ITEM NO.	B. IDENTIFICATION	C. QUANTITY	D. TOTAL PRICE	E. REF.
9. PROVIDE NAME, ADDRESS, AND TELEPHONE NUMBER FOR THE FOLLOWING (If available)				
A. CONTRACT ADMINISTRATION OFFICE		B. AUDIT OFFICE		
10. WILL YOU REQUIRE THE USE OF ANY GOVERNMENT PROPERTY IN THE PERFORMANCE OF THIS WORK? (If "yes," identify) <input type="checkbox"/> YES <input type="checkbox"/> NO		11A. DO YOU REQUIRE GOVERNMENT CONTRACT FINANCING TO PERFORM THIS PROPOSED CONTRACT? (If "Yes," complete Item 11B) <input type="checkbox"/> YES <input type="checkbox"/> NO		11B. TYPE OF FINANCING (✓ one)
				<input type="checkbox"/> ADVANCE PAYMENTS <input type="checkbox"/> PROGRESS PAYMENTS <input type="checkbox"/> GUARANTEED LOANS
12. HAVE YOU BEEN AWARDED ANY CONTRACTS OR SUBCONTRACTS FOR THE SAME OR SIMILAR ITEMS WITHIN THE PAST 3 YEARS? (If "Yes," identify item(s), customer(s), and contract number(s)) <input type="checkbox"/> YES <input type="checkbox"/> NO		13. IS THIS PROPOSAL CONSISTENT WITH YOUR ESTABLISHED ESTIMATING AND ACCOUNTING PRACTICES AND PROCEDURES AND FAR PART 31, COST PRINCIPLES? (If "No," explain) <input type="checkbox"/> YES <input type="checkbox"/> NO		
14. COST ACCOUNTING STANDARDS BOARD (CASB) DATA (Public Law 91-379 as amended and FAR PART 30)				
A. WILL THIS CONTRACT ACTION BE SUBJECT TO CASB REGULATIONS? (If "No," explain in proposal) <input type="checkbox"/> YES <input type="checkbox"/> NO		B. HAVE YOU SUBMITTED A CASB DISCLOSURE STATEMENT (CASB DB-1 OR 2)? (If "Yes," specify in proposal the office to which submitted and if determined to be adequate) <input type="checkbox"/> YES <input type="checkbox"/> NO		
C. HAVE YOU BEEN NOTIFIED THAT YOU ARE OR MAY BE IN NON-COMPLIANCE WITH YOUR DISCLOSURE STATEMENT OR COST ACCOUNTING STANDARDS? (If "Yes," explain in proposal) <input type="checkbox"/> YES <input type="checkbox"/> NO		D. IS ANY ASPECT OF THIS PROPOSAL INCONSISTENT WITH YOUR DISCLOSED PRACTICES OR APPLICABLE COST ACCOUNTING STANDARDS? (If "Yes," explain in proposal) <input type="checkbox"/> YES <input type="checkbox"/> NO		
This proposal reflects our estimates and/or actual costs as of this date and conforms with the instructions in FAR 15.403-5(b)(1) and Table 15-2. By submitting this proposal, we grant the Contracting Officer or authorized representative(s) the right to examine, at any time before award, those records, which include books, documents, accounting procedures and practices, and other data, regardless of type and form or whether such supporting information is specifically referenced or included in the proposal as the basis for pricing, that will permit an adequate evaluation of the proposed price.				
15. NAME AND TITLE (Type)		16. NAME OF FIRM		
17. SIGNATURE			18. DATE OF SUBMISSION	

EXHIBIT B-1

SUMMARY OF COST ELEMENTS BY TASK AND FOR TOTAL PROJECT

<u>COST ELEMENTS:</u>	<u>Task No.</u>	<u>Task No.</u>	<u>Task No.</u>	<u>Task No.</u>	<u>Total Project</u>
Direct Material					
A) Purchased Parts					
B) Subcontracted Items					
C) Other					
Total Direct Materials					
Material Overhead					
Direct Labor					
Labor Overhead					
Special Testing					
Special Equipment					
Travel					
Consultants					
Other Direct Costs					
Total Direct Cost and Overhead					
General & Administrative Expense					
Facilities Capital Cost of Money					
Total Estimated Cost					
Fee					
Cost Sharing					
Total Estimated DOE Funds Required					

**SUMMARY OF COST ELEMENTS BY TASK
FOR OFFEROR'S FISCAL YEAR 200____**

<u>COST ELEMENTS:</u>	<u>Task No.</u>	<u>Task No.</u>	<u>Task No.</u>	<u>Task No.</u>	<u>Fiscal Year Total</u>
Direct Material					
A) Purchased Parts					
B) Subcontracted Items					
C) Other					
Total Direct Materials					
Material Overhead					
Direct Labor					
Labor Overhead					
Special Testing					
Special Equipment					
Travel					
Consultants					
Other Direct Costs					
Total Direct Cost and Overhead					
General & Administrative Expense					
Facilities Capital Cost of Money					
Total Estimated Cost					
Fee					
Cost Sharing					
Total Estimated DOE Funds Required					

NOTES:

- (1) An Exhibit B-2 shall be provided for each of the offeror's fiscal years (or portion thereof) in which the project is to be performed.

EXHIBIT C

SUMMARY OF DIRECT MATERIALS AND/OR EQUIPMENT BY TASK AND OFFEROR'S FISCAL YEAR

<u>Item Description</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Basis for Proposed Costs</u>
		\$	\$	
TOTALS			\$	

NOTES:

- (1) Itemize proposed materials to coincide with the materials line on the Exhibit B-2 cost summaries by task.
- (2) Similarly, any proposed special equipment should be itemized so that task totals tie into the special equipment line on the Exhibit B-2 cost summaries.
- (3) In the “basis of proposed cost” column, identify how the proposed cost was derived such as written quotes, engineering estimates, prior invoices, catalogue prices, etc. Where appropriate, also identify the vendor and date the information was obtained.

SUMMARY OF DIRECT LABOR BY TASK AND OFFEROR'S FISCAL YEAR

TASK NO.:_____

FISCAL PERIOD:_____

<u>Labor Categories</u>	(1) <u>Proposed Hours</u>	(2) <u>Hourly Rate</u>	(1) X (2) <u>Labor Cost</u>
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TOTALS

NOTES:

- (1) List each labor category by name; do not use codes unless an explanation is provided to permit decoding.
- (2) Provide the above information for EACH TASK in EACH FISCAL PERIOD as provided in Exhibit B-2, so that the trail between these two exhibits is easy to follow.
- (3) Provide the basis for the proposed hourly rates. For example, the rates are actual rates or averages of actual rates for the labor category(s) proposed, paid as of a given date. If a factor is included to provide for known or anticipated increases, identify the factor and basis. If a factor for fringe benefits is included, e.g., vacations, it should be stated separately.

SUMMARY OF DIRECT LABOR HOURS BY TASK

<u>LABOR CATEGORY:</u>	<u>Task No.</u>	<u>Task No.</u>	<u>Task No.</u>	<u>Task No.</u>	<u>Total</u>
Prime Contractor:					
Category 1					
Category 2					
Category 3					
Etc.					
Subtotal	_____	_____	_____	_____	_____
Subcontractor A:					
Category 1					
Category 2					
Category 3					
Etc.					
Subtotal	_____	_____	_____	_____	_____
Subcontractor B:					
Category 1					
Category 2					
Category 3					
Etc.					
Subtotal	_____	_____	_____	_____	_____
Consultant A:					
Category 1					
Category 2					
Category 3					
Etc.					
Subtotal	_____	_____	_____	_____	_____
Grand Total	_____	_____	_____	_____	_____
	=====	=====	=====	=====	=====

SUMMARY OF TRAVEL BY TASK AND OFFEROR'S FISCAL YEAR

<u>Fiscal Year</u>	<u>Destination</u>	<u>Round-trip Airfare</u>	<u>Ground Transportation</u>	<u>Daily Per Diem Rate</u>	<u>Daily Car Rental Rate</u>
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NOTES:

- (1) In this section, provide the rates used to calculate airfare, ground transportation, per diem (which includes subsistence, meals and incidental expenses) and car rental.

<u>Task</u>	<u>Fiscal Year</u>	<u>Destination</u>	<u>Number of Trips/People/Days</u>	<u>Total Airfare</u>	<u>Total Per diem</u>	<u>Total Car Rental</u>	<u>Total Travel Cost</u>
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NOTES:

- (1) In this section, show total costs for each of the travel components based on usage of the rates shown above, i.e., the number of trips and people and days applied to the appropriate rates above should result in the total costs.
- (2) The total cost per task should match the travel line on the Exhibit B-2 cost summaries.

**SUMMARY OF OTHER DIRECT COSTS
BY TASK AND OFFEROR'S FISCAL YEAR**

<u>Description of Cost</u>	<u>Number of Units/Hours/etc.</u>	<u>Rate per Unit/Hour/etc.</u>	<u>Total Cost</u>
			----- \$ =====

NOTES:

- (1) Specify both the quantity and the measure; for example, 100 hours or 2 days.
- (2) The total cost by task should tie into the other direct costs line on the exhibit b-2 cost summaries.
- (3) This same format should be used to identify any consultant costs proposed. The number of days or hours and the rate can be itemized for each individual consultant.

SUMMARY OF INDIRECT EXPENSES

Overhead Category:

<u>Account Title</u>	Previous Fiscal Year Base Pool FY: _____	Current Fiscal Year Base Pool FY: _____	Next Fiscal Year Base Pool FY: _____
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Base for Allocation: _____ \$ _____

OFFEROR'S FISCAL YEAR: Beginning: _____ Ending: _____

NOTES:

- (1) Submit a separate Exhibit G-1 for each of your company's indirect cost pools.
- (2) For each pool, provide a breakdown by expense account. See examples on the following pages. Examples are provided solely to indicate an acceptable format for this exhibit.

DO NOT ATTEMPT TO CONFORM YOUR ACCOUNTS TO THOSE LISTED IN THE EXAMPLES.

FOR EXAMPLE ONLY**SUMMARY OF INDIRECT EXPENSES**Overhead Category: Material Overhead

<u>Account Title</u>	<u>Previous Fiscal Year Base Pool FY: 1999</u>	<u>Current Fiscal Year Base Pool FY: 2000</u>	<u>Next Fiscal Year Base Pool FY: 2001</u>
Indirect Labor	\$ 823,833	\$ 864,327	\$1,125,500
Additional Compensation	31,000	34,392	41,225
Overtime Premium	5,010	5,263	5,500
Holidays	26,812	28,100	41,340
Sick Leave	20,768	22,018	33,750
Suggestion Awards	15	125	150
Vacations	43,607	45,734	56,250
Maintenance - Outside Services	165	192	200
Other Outside Services	78	76	75
Payroll Taxes	74,587	78,669	102,275
Travel	37,741	36,535	37,500
Dues and Subscriptions	651	651	651
Pension Fund	26,068	27,117	30,700
Operating Supplies	12,694	14,156	15,450
Stationery, Printing, & Operating Supplies	10,210	10,162	10,750
Telephone	19,184	20,322	21,500
Heat, Light, and Power	158,997	170,004	175,000
Depreciation	<u>79,554</u>	<u>79,554</u>	<u>79,554</u>
Total Expense Pool (A)	\$ 1,370,974	\$ 1,437,397	\$ 1,777,370
Allocation Base:			
Direct Materials (B)	\$25,878,940	\$28,466,900	\$31,313,600
Material Overhead Rate (A) / (B)	5.3%	5.0%	5.7%

* Includes two months budgetary estimate.

Fiscal Year Beginning: April 1 and Ending: March 31

FOR EXAMPLE ONLY**SUMMARY OF INDIRECT EXPENSES**Overhead Category: **Labor Overhead**

<u>Account Title</u>	<u>Previous Fiscal Year Base Pool FY: 1999</u>	<u>Current Fiscal Year Base Pool FY: 2000</u>	<u>Next Fiscal Year Base Pool FY: 2001</u>
Indirect Payroll	\$ 264,909	\$ 256,213	\$ 260,000
Payroll Taxes	226,249	227,698	228,000
Vacation	118,710	119,872	120,000
Holidays	109,506	109,772	110,000
Sick Leave	49,962	50,013	50,000
Pensions	170,729	172,079	171,000
Employee Morale	4,073	4,987	5,000
Office Equipment	7,201	7,562	7,000
Depreciation	5,006	4,736	5,000
Subscriptions	1,397	1,488	1,500
Travel	20,557	19,724	22,000
Miscellaneous	1,513	1,987	2,000
Stationery	5,706	6,201	6,000
Reproduction	16,714	17,945	17,000
Maintenance	5,197	5,791	5,000
Rent	200,025	201,218	202,000
Telephone	10,538	10,712	11,000
Insurance	<u>93,786</u>	<u>90,758</u>	<u>102,000</u>
Total Expense Pool (A)	\$1,311,778	\$1,308,756	\$1,324,500
Allocation Base:			
Direct Labor (B)	\$2,398,541	\$2,460,872	\$2,336,000
Labor Overhead			
Rate (A) / (B)	54.7%	53.2%	56.7%

* Includes two months budgetary estimate.

Fiscal Year Beginning: April 1 and Ending: March 31

FOR EXAMPLE ONLY**SUMMARY OF INDIRECT EXPENSES**Overhead Category: G&A Expense

<u>Account Title</u>	<u>Previous Fiscal Year Base Pool FY: 1999</u>	<u>Current Fiscal* Year Base Pool FY: 2000</u>	<u>Next Fiscal Year Base Pool FY: 2001</u>
Payroll Taxes	\$ 54,909	\$ 56,213	\$ 56,800
Officers' Salaries	566,249	579,698	586,000
Indirect Salaries	1,407,100	1,458,724	1,460,500
Interest	63,506	63,772	60,500
Vacation	80,637	81,398	82,525
Holidays	49,962	50,013	49,500
Sick Leave	34,875	32,937	32,500
Contributions	15,743	13,289	15,000
Pensions	50,729	52,079	53,500
Office Equipment	30,541	27,942	26,750
Depreciation	30,557	29,724	29,000
Travel	62,513	64,987	67,000
Miscellaneous	30,706	41,201	43,250
Legal Fees	16,714	10,945	15,000
Accounting Fees	21,197	23,791	22,500
Computer	24,025	27,218	29,000
Rent	60,538	62,712	65,000
Advertising	13,786	10,758	12,500
Telephone	59,105	61,372	65,000
Insurance	<u>13,844</u>	<u>15,473</u>	<u>15,500</u>
Total Pool	\$ 2,687,236	\$ 2,764,246	\$ 2,787,325
Independent Research**	932,940	826,842	920,000
B&P	<u>743,902</u>	<u>526,209</u>	<u>700,000</u>
Total G&A Expenses	\$ 4,364,078	\$ 4,117,297	\$ 4,407,325
Less unallowables:			
Interest	63,506	63,772	60,500
Contributions	15,743	13,289	15,000
Advertising	<u>13,786</u>	<u>10,758</u>	<u>12,500</u>
Total Unallowables	<u>\$ 93,035</u>	<u>\$ 87,819</u>	<u>\$ 88,000</u>
Net Allowable			
G&A Expenses (A)	\$ 4,271,043	\$ 4,029,478	\$ 4,319,325
Allocation Base:			
Total Cost Input (B)	\$50,993,247	\$52,932,479	\$53,549,800
G&A Rate (A) / (B)	8.4%	7.6%	8.1%

* Includes two months budgetary estimate.

** If there are advance agreements, the explanation should so reference. Latest actual and estimated program expenditures and allocation bases should be provided.

Fiscal Year Beginning: April 1 and Ending March 31

SUMMARY OF PROPOSED INDIRECT RATES

<u>Indirect Rate Category</u>	<u>Fiscal Year 200X</u>	<u>Fiscal Year 200X</u>	<u>Fiscal Year 200X</u>
-------------------------------	---------------------------------	---------------------------------	---------------------------------

NOTES:

- (1) List all indirect categories contained in your proposal (i.e., material overhead, labor overhead, fringe benefits, G&A expense, etc.)
- (2) Identify percentages or factors: do not list dollar amounts.
- (3) If the “next fiscal year” rate from Exhibit G-1 differs from rates shown above covering the entire period of performance, then additional Exhibit G-1 expense pool and allocation base data must be prepared so that all proposed rates are fully supported.

SUMMARY OF ESCALATION FACTORS/PERCENTAGES BY COST ELEMENT

<u>Cost Element</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>
---------------------	------------------------	------------------------	------------------------

NOTES:

- (1) List each cost element (i.e., materials, labor, travel, etc.) that is escalated and the applicable rate.
- (2) Identify percentages or factor: Do not list dollar amounts.

EXHIBIT I**PRE-AWARD ACCOUNTING SYSTEM SURVEY**

This accounting system review is designed to determine the adequacy and suitability of a contractor's accounting system and practices for accumulating costs under the type of Government instrument to be awarded. The Offeror(s) and each subcontractor whose total proposed costs exceed \$100,000 shall complete the attached accounting system survey. The form should be completed and signed by an individual familiar with the capabilities of the organization's accounting system.

Does the Accounting System provide for:	<u>YES</u>	<u>NO</u>
1. Proper segregation of direct costs from indirect costs?	___	___
2. Identification and accumulation of direct costs by contract? Under a job order cost system, subsidiary cost records for each individual contract are generally available?	___	___
3. A logical and consistent method for the allocation of indirect costs to intermediate and final cost objectives?	___	___
4. Accumulation of costs under general ledger control?	___	___
5. A timekeeping system that identifies employees' labor by intermediate or final cost objectives?	___	___
6. A labor distribution system that charges direct and indirect labor to the appropriate cost objectives?	___	___
7. Interim (at least monthly) determination of costs charged to a contract through routine posting of books of account?	___	___
8. Exclusion from costs charged to Government contracts of amounts which are not allowable pursuant to FAR Part 31, Contract Cost Principles and Procedures, or other contract provisions?	___	___
9. Identification of costs by contract line item if required by the proposed contract?	___	___

PRINTED NAME AND TITLE: _____

SIGNATURE: _____

DATE: _____

PART II

ADDITIONAL INFORMATION

Estimating Procedure

Provide a discussion of the offeror's estimating procedure and the rationale used in the development of the proposed costs. For effective negotiations, it is essential that there be a clear understanding of:

- a. The existing verifiable data;
- b. The judgmental factors applied in projecting from known data to the estimate;
- c. The contingencies used by the offeror in the proposed costs.

Subcontracts

The following information is required FOR EACH PLANNED SUBCONTRACT OF \$550,000 OR MORE:

- a. A brief description of the work to be subcontracted.
- b. The number of quotes solicited and received.
- c. The cost or price analysis performed by the offeror.
- d. Names and addresses of the subcontractors tentatively selected and the basis for their selection; (i.e., low bidder, delivery schedule, technical competence, etc.)
- e. The offeror's rating of the subcontractor's competence, i.e., fair, good, excellent.
- f. Type of contract and estimated cost and fee or profit.
- g. Affiliation with the offeror, if any.
- h. Whether or not the subcontractor is a small business concern, small disadvantaged business concern, veteran-owned business, or woman-owned business.
- i. The extent of subcontract supervision required.

Consultants

If the offeror proposed the use of consultants, provide the following FOR EACH NAMED CONSULTANT:

- a. Resume.
- b. Identification of all cost elements included in the consultant's daily/hourly rates, plus a detailed explanation of any costs that would be charged over and above the rates.
- c. A signed consulting agreement between the offeror and the consultant.
- d. A signed statement from the consultant that the proposed rate is a "most favored customer rate," or the reason such a rate was not offered.
- e. A determination by the offeror that the rate proposed is comparable to the rates of other consultants doing similar types of work.
- f. The offeror shall prepare a technical evaluation of the need to employ a consultant, which shall include the consultant's technical ability to perform the desired work, along with a statement and reason that in-house resources are unavailable for performance of the effort.

In those cases where a consultant IS NOT NAMED but the offeror realizes a need will exist, the offeror shall support the proposed daily rate by supplying the information in (e) and (f) above.

Cost Sharing, In-kind Contributions, etc.

If either cost sharing or cost participation is proposed, information should be provided concerning the proposed contractual arrangements. Examples of arrangements and the information required are as follows (however, note that arrangements are not limited to these four):

- a. Cash: Indicate the percentage proposed and identify the base to which the rate would be applied.
- b. Elimination of certain items from indirect pools: Identify which elements.
- c. Forbearance of fee/profit: State the standard percentage and identify the base to which the rate normally applies.
- d. In-kind contribution of facilities: Explain how the value of the contribution was calculated.

In any case, any proposed cost sharing method or value is subject to independent evaluation and audit by DOE in accordance with DEAR 917.70.

Financial Condition

- a. Provide a current balance sheet, profit and loss statement for all quarters reported on the current fiscal year, and an audited financial statement for each of the last 3 fiscal years.
- b. Describe fully any assets other than cash, accounts receivable, land, buildings, and equipment carried on the above balance sheet.
- c. State what percentage this proposed contract will represent of the offeror's estimated total business during the period of performance.
- d. Describe fully the impact of this project on the offeror's organization and any contingency, limitation, and conditions affecting availability of funds for this project.

Company Compensation Policies

The offeror shall briefly describe company compensation policies in the following areas (existing company publications may be furnished):

- a. Salary Increases:(Merit, Cost-of-Living, General, Other)
- b. Fringe Benefits: Paid Absences (Vacations, Sick Leave, Holidays), Insurance Contributions, Retirement, Other
- c. Travel and Per Diem
- d. Relocation
- e. Bonuses & Other Employee Incentives
- f. Severance
- g. Overtime
- h. Shift Premium

High Value Equipment

Offerors are informed that when the use of High Value Equipment (in excess of \$10,000) is applicable to the procurement, the Government reserves the right to require the submission of the feasibility of lease versus purchase studies by the successful offeror.

Use of Adpe

If the use of automatic data processing equipment (ADPE) is proposed by the offeror, the Government reserves the right to require the preparation of (1) feasibility and (2) lease versus purchase studies by the successful offeror.

The offeror shall provide any other supporting information deemed necessary in this section.

PART III

SUMMARY OF EXCEPTIONS AND DEVIATIONS

The offeror shall identify and explain any exceptions, deviations, or conditional assumptions taken with respect to the requirements contained in these Cost Proposal Preparation Instructions.

Any exceptions or deviations taken must contain sufficient amplification and justification to permit evaluation. All benefits to the Government shall be explained for each exception taken. Such exceptions will not, of themselves, automatically cause a proposal to be termed unacceptable. A large number of exceptions, or one or more significant exceptions not providing benefit to the Government may, however, result in rejection of the proposal(s) as unacceptable.